

CHAPTER 25 - TAX CLEARANCE & TAX BOND

Code References:

Subdivision Map Act Sections: 66492 – 66494.1

Los Angeles County Code - Title 21 Section 21.36.100

25.1 State Law

Per State law prior to the filing of any final map or parcel map with the legislative body, the subdivider shall, in accordance with procedures established by the county, file with the county recorder of the county in which any part of the subdivision is located, a certificate or statement from the official computing redemptions in any public agency in which any part of the subdivision is located, showing that, according to the records of that office, there are no liens against the subdivision or any part thereof for unpaid, state, county, municipal or local taxes or special assessments collected as taxes, except taxes or special assessments not yet payable.

25.2 Overview of Los Angeles County Tax Clearance and Tax Bond Process

All subdivisions within the County of Los Angeles are subject to compliance for “Tax Clearance” and “Tax Bonding” prior to recordation per the Subdivision Map Act. Tax clearances are issued by and paid to the Los Angeles County Treasurer-Tax Collector’s office. In order to expedite a tax clearance a cashier’s check is the preferred method of payment for instant tax clearance. Tax bond amounts are determined by the Los Angeles County Office of the Assessor and paid to Land Development Division, 3rd floor, of Los Angeles County Department of Public Works. The tax year is on a fiscal year and runs from July 1st through June 30th.

25.3 Submittal Requirements for Processing of Tax Clearance and Tax Bond

In order to process a subdivision map for tax clearance and tax bond the following items need to be submitted in the tax package to Land Development Division, 3rd floor. The tax package includes:

- 2 sets or copies of the final map
- Digital disk
- Date of approval/expiration of tentative map
- Tax clearance processing fee and 5-year tax history provided by a title company
2 exact scale (11” x 17”) duplicates of the most recent Assessor Map Book page or pages with the proposed division of land outlines in red.
- Submit original and 2 copies of the bond estimate declaration and tax bond processing fee
- Recording fees (\$10 for first sheet and \$3 for each additional sheet)
- Preliminary subdivision report/Final Guarantee. A preliminary subdivision report is required for the initial submittal. An original final guarantee with the wet signature of the title officer dated within the last 3 months is required for all tracts and for any parcel maps for which the owner(s) statement certificate is required

on the title sheet. The final guarantee must be received by this office prior to recordation. The Registrar-Recorder's office will not record any subdivision which has an owners statement on the title sheet unless it is accompanied by said original final guarantee with the wet signature of a title officer.

25.4 Tax Clearance

All tract and parcel maps eligible for recordation must have tax clearance. A tax clearance is the payment of all outstanding taxes due and payable which include the first year's installment due December 10 and the second year's installment due April 10. A tax clearance is issued from the County Treasurer-Tax Collector's office after verification is made that all property taxes for the property being subdivided have been paid. Property taxes become due every November 1 upon the generation of the new current year's tax bills. Therefore, a new tax clearance is required for all maps on or after this date even though a tax clearance may have been issued for a previous tax year.

25.5 Tax Bond Clearance

A tax bond is required when any tract or parcel map is eligible for recordation during the tax bonding period from January 1 through October 31. A tax bond is required for all taxes due but not yet payable. Each calendar year a new Bond Estimate Declaration (original and 2 copies) must be filed with the Department of Public Works for processing with the Los Angeles County Office of the Assessor. The Assessor's office calculates and determines the tax bond amount. The tax bond must be paid to the Los Angeles County Department of Public Works prior to recordation of any parcel or tract map with the Registrar-Recorder's office. In addition to a tax bond a supplemental tax bond may be required whenever there is a change of ownership or new construction is started. The supplemental tax bond must be paid along with its processing fee in addition to the regular tax bond prior to the recordation of any parcel map or tract map with the Registrar-Recorder's office.

25.6 Tax Bond Not Required During the Non-Bonding Period

It is important to note that a tax bond is not required if a subdivision is to be filed for recordation during the non-bonding period. The non-bonding period is from November 1 to December 31.

PDFs to be attached:

- Bond Estimate Declaration Form
- Agencies Clearing Final Tracts/Parcel Maps which include Office of Assessor and Treasurer-Tax Collector Contact Names and Telephone Numbers



COUNTY OF LOS ANGELES • OFFICE OF ASSESSOR
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012-2770

BOND ESTIMATE DECLARATION

NOTICE: THIS DECLARATION IS REQUIRED BY
THE COUNTY ASSESSOR IN ORDER TO PROCEED
WITH THE REQUIRED BOND ESTIMATE

DECLARANT (MUST BE OWNER, AUTHORIZED AGENT, OR CORPORATE OFFICER)		DATE		ASSESSOR'S IDENTIFICATION NUMBER		
BUSINESS ADDRESS		MAPBOOK		PAGE		PARCEL
CITY	STATE	ZIP CODE		TRACT NUMBER		
DECLARATION MUST BE FILLED OUT COMPLETELY				DATE OF ACQUISITION SEE INSTRUCTIONS 1 (A)		
ATTACHED IS A COPY OF THE LATEST TAX BILL(S) ON THE PROPERTY SUBJECT TO THIS DECLARATION WHICH INDICATES THE FOLLOWING:						
MARKET VALUE		TOTAL TAXES AND SPECIAL ASSESSMENTS SEE INSTRUCTIONS 1 (b)				
LOCATION OF PROPERTY (LEGAL DESCRIPTION OR SITUS ADDRESS) SEE INSTRUCTIONS 1 (c)			CITY	STATE	ZIP CODE	
CURRENT OWNER AND ASSESSEE						
PURCHASE PRICE INFORMATION						
CASH DOWN			AMOUNT			
1st TRUST DEED	INTEREST RATE	TERM	AMOUNT			
2nd TRUST DEED	INTEREST RATE	TERM	AMOUNT			
OTHER TERMS (EXPLAIN)			AMOUNT			
TOTAL PURCHASE PRICE			AMOUNT			
NEW CONSTRUCTION SUBSEQUENT TO MARCH 1 OF PAST CALENDAR YEAR (CHECK ONE) SEE INSTRUCTIONS 1 (d)						
<input type="checkbox"/> NO NEW CONSTRUCTION/BUILDING PERMITS <input type="checkbox"/> NEW CONSTRUCTION-BUILDING PERMITS ISSUED (DESCRIBE BELOW)						
<input type="checkbox"/> GRADING PERMITS - DATE WORK STARTED _____ DATE WORK COMPLETED _____						
<input type="checkbox"/> STRUCTURE PERMITS - DATE WORK STARTED _____ DATE WORK COMPLETED _____						
SUBJECT PROPERTIES TO BE SUBDIVIDED TO CREATE (CHECK ONE) <input type="checkbox"/> COMMERCIAL INDUSTRIAL TRACT						
<input type="checkbox"/> NEW CONDOMINIUMS <input type="checkbox"/> CONVERSION TO CONDOMINIUMS <input type="checkbox"/> RESIDENTIAL TRACT						
REQUEST FOR EXCLUSION PURSUANT TO SECTION 75.12 CALIFORNIA REVENUE AND TAXATION CODE (CHECK ONE IF APPLICABLE)						
<input type="checkbox"/> NOTIFICATION HAS BEEN GIVEN TO THE ASSESSOR THAT NEW CONSTRUCTION IS FOR SALE PURPOSES ONLY						
<input type="checkbox"/> ATTACHED IS COMPLETED NOTIFICATION AND REQUEST FOR EXCLUSION						
I AM A RESIDENT OF THE UNITED STATES AND OVER THE AGE OF EIGHTEEN (18). I UNDERSTAND THAT THIS DECLARATION IS TO BE USED FOR THE PURPOSE OF DETERMINING THE AMOUNT OF SECURITY TO BE REQUIRED (GOVERNMENT CODE 66493) FOR THE PAYMENT OF TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES WHICH ARE NOW A LIEN ON THE ABOVE DESCRIBED PROPERTY, BUT ARE NOT YET PAYABLE.						
I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT						
DATE EXECUTED		CITY OR COUNTY _____, CALIFORNIA				
SIGNATURE OF DECLARANT _____				TELEPHONE NUMBER (8:00 A.M. - 5:00 P.M.) _____		



KENNETH P. HAHN
ASSESSOR

COUNTY OF LOS ANGELES
OFFICE OF THE ASSESSOR
500 W. TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2770

(213) 974-3455

**INSTRUCTIONS FOR DECLARATION RE: SECURITY FOR
PAYMENT OF TAXES AND/OR SPECIAL ASSESSMENTS**

IMPORTANT NOTICE:

California law requires the posting of security for payment of taxes and special assessment prior to recording a final map on subdivisions. Section 75 et sequentes of the Revenue and Taxation Code provide for supplemental assessment due to changes in ownership and/or completion of the new construction after the lien date. These liens attach as of the date of change in ownership or completion of new construction. Section 66493 of the Government Code provides that whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes which are not yet payable, the final map shall not be recorded until the owner or subdivider executes and files with the Clerk of the Board of Supervisors of the County wherein any part of the subdivision is located, security conditioned, upon the payment of all State, County, municipal, and local taxes and the current installment of principal and interest of all special assessments collected as taxes, which at the time the final map is recorded are a lien against the property, but which are not yet payable.

If the land being subdivided is a portion of a larger parcel shown on the last preceding tax roll as a unit, the security for payment of taxes need be only for such sum as may be determined by the County to be sufficient to pay the current and delinquent taxes including penalties and costs on the land being subdivided. Separate assessor's parcels will be given to the portion not being submitted, as well as the parcel or parcels within the subdivision.

The Los Angeles County Assessor's Department requires that a Bond Estimate Declaration be filed on all subdivisions prior to recording the final map. The amount of the required security cannot be determined until the office of Assessor determines the full value of the real property subject to the bonding requirement. The office of Assessor needs current information in order to ensure that the value is correct and in accordance with the requirements of the Revenue and Taxation Code. If a declaration does not accompany your request, a demand for the declaration will be mailed to the applicant/assessee. Any delay caused by an untimely submission of the declaration may result in additional delays in your ability to record your final map.

INSTRUCTIONS FOR DECLARATION RE: SECURITY
FOR PAYMENT OF TAXES AND/OR SPECIAL ASSESSMENT
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INSTRUCTIONS:

1.
 - (a) If the subdivision properties were acquired at different times, you may enter "see attached" and staple copies of escrow instructions to the declaration.
 - (b) If more than one tax bill is applicable, sum the market values and enter the sum of the total amount of taxes and/or special assessments of all tax bills in the spaces provided.
 - (c) If the legal description cannot be entered in the space provided, you may enter "see attached" and staple a separate legal description to the declaration.
 - (d) The Revenue and Taxation Code requires that all property be reappraised whenever there is a change of ownership or new construction is completed, absent an exclusion to the contrary. In order to properly process your bond estimate, you must fully provide all information as requested.
2. The declaration is to be signed under penalty of perjury by the owner of record, an authorized agent or corporate officer.
3. A new declaration is required for each year or fraction thereof for which a new estimate is made.
4. We will not process an incomplete declaration.

NOTE

After receipt from the Department of Public Works, non-priority estimates are processed in about fifteen working (15) days.

After receipt from the Department of Public Works, it will take the Office of Assessor approximately ten (10) working days to process the Bond Estimate provided you have obtained "priority status" from the Department of Public Works. Timely submission of your Bond Request is, therefore, very important. If you want to record early, request your estimate early.

AGENCIES CLEARING FINAL TRACTS/PARCEL MAPS

<p><u>REGIONAL PLANNING DEPARTMENT - (213) 974-6433</u></p> <p>320 West Temple Street, Room 1382 Los Angeles, CA 90012 Land Divisions – Susie Tae</p> <p><u>COUNTY CLERK - (562) 462-2177</u></p> <p>12400 E Imperial Highway, Second Floor Norwalk, CA</p> <p>Sheila Jones (562) 462-2056</p> <p><u>DEPARTMENT OF PUBLIC WORKS</u></p> <p>900 South Fremont Avenue Alhambra, CA 91803</p> <p><u>LAND DEVELOPMENT DIVISION - 3RD FLOOR</u></p> <p><u>SUBDIVISION MANAGEMENT SECTION</u></p> <p>Public Counter - 3rd Floor (626) 458-4930 (Status and Submittals Only)</p> <p><u>TRANSPORTATION PLANNING & SUBDIVISION REVIEW</u></p> <p><u>Building & Safety Clearance (removal of structure)</u></p> <p>Henry Wong (626) 458-4915 (please provide him a copy of the finalized demolition permit from Bldg.&Safety Division)</p> <p><u>SUBDIVISION MAPPING SECTION</u></p> <p><u>Subdivision Unit</u> (626) 458-4915</p> <p>Jeff Owens</p> <p><u>Sewer & Water/Lands Section</u> (626) 458-4910</p> <p>Sewer – Allen Ma Water – Massoud Esfahani</p> <p><u>Storm Drain Unit</u> (626) 459-4921</p> <p>Nazem Said</p> <p><u>Road & Grading Section</u></p> <p>Grading – Mo Kajbaf Road – Joseph Nguyen</p> <p><u>GEOTECHNICAL & MATERIALS ENGR. DIVISION</u></p> <p>4TH FLOOR (626) 458-4925</p> <p><u>Geology</u> - Charles Nestle <u>Soils</u> - Mark Steuer</p>	<p><u>PARKS AND RECREATION - (213) 351-5117</u></p> <p>510 South Vermont Avenue Los Angeles, CA 90020</p> <p>Patrocenia Sobrepeno-(213) 351-5120 <u>Park Dedication</u>–Tram Nguyen (213) 351-5128 <u>Trails Coordinator</u>–Sylvia Simpson (213) 351-5135</p> <p><u>HEALTH SERVICES DEPARTMENT - (626) 430-5380</u> FAX (626) 313-3016</p> <p>5050 Commerce Drive Baldwin Park, CA 91706-1423</p> <p>Russell A. Johnson</p> <p><u>FORESTER AND FIRE WARDEN - (323) 890-4243</u></p> <p>5823 Rickenbacker Road Commerce, CA 90040</p> <p><u>Fire Protection Engineering</u></p> <p>Captain - Jeff Vrooman Inspector - Janna Masi</p> <p><u>OFFICE OF ASSESSOR - (213) 974-3455</u></p> <p>Kenneth Hahn Hall of Administration 500 West Temple Street, 2nd Floor Los Angeles, CA 90012</p> <p><u>Tax Security Estimate</u></p> <p>Rebecca Landig (213) 974-3455 FAX (213) 626-0850</p> <p><u>TREASURER-TAX COLLECTOR - (213) 974-7375</u> FAX (213) 620-7948</p> <p>Kenneth Hahn Hall of Administration North Hill Street, Room 115 Los Angeles, CA 90012</p> <p><u>Tax Clearance</u></p> <p>Eva Labarda</p> <p><u>Release of bond</u></p> <p>Eva Labarda- (213) 974-7375 FAX (213) 620-7948</p> <p><u>COUNTY RECORD OFFICE - (562) 462-2019</u></p>
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